



Director of  
Central  
Intelligence

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# The Prospects for Change in Sino-Soviet Relations

## National Intelligence Estimate

*This Estimate represents the views  
of the Director of Central Intelligence  
with the advice and assistance of the  
US Intelligence Community.*

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# The Prospects for Change in Sino-Soviet Relations

*Information available as of 19 August 1988 was used  
in the preparation of this Estimate.*

*The following intelligence organizations participated  
in the preparation of this Estimate:*

- The Central Intelligence Agency
- The Defense Intelligence Agency
- The National Security Agency
- The Bureau of Intelligence and Research,
- Department of State
- The Office of Intelligence Support,
- Department of the Treasury

*also participating:*

- The Deputy Chief of Staff for Intelligence,
- Department of the Army
- The Director of Naval Intelligence,
- Department of the Navy
- The Assistant Chief of Staff, Intelligence,
- Department of the Air Force

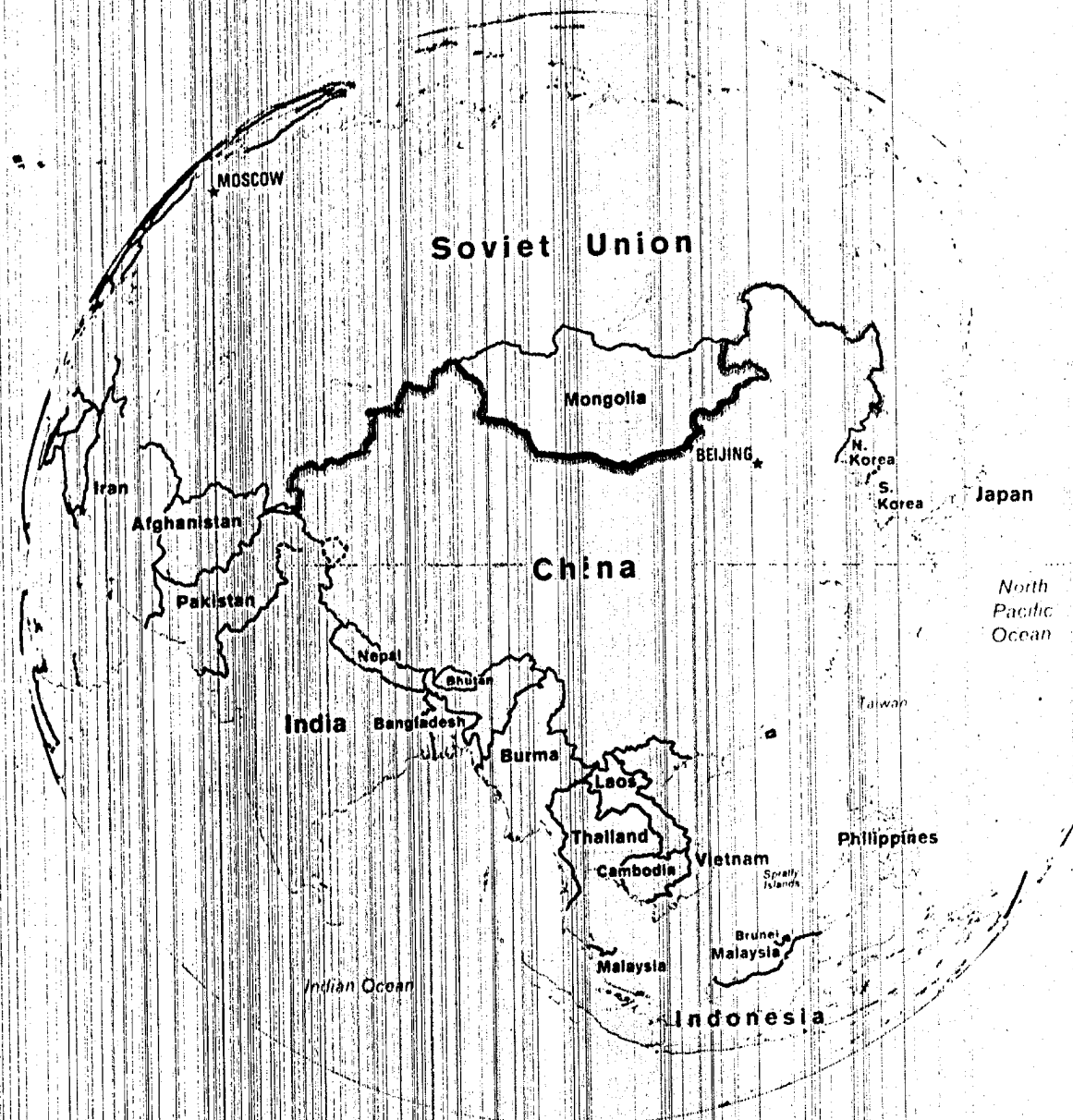
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## Soviet Union and China



Boundary representation is  
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## Key Judgments

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We believe there is a high probability of significant improvement in Sino-Soviet relations in the next six months or so that will ultimately lead to a Sino-Soviet summit within the two- to three-year time frame covered by this Estimate. While Sino-Soviet relations have been improving since the early 1980s, General Secretary Gorbachev's ascendancy and his subsequent reorientation of Soviet policies have added significant impetus to the process. In particular, the Soviet withdrawal from Afghanistan, the warming of US-Soviet relations, and progress on the Cambodian issue have changed China's attitudes and increased its flexibility in dealing with the USSR:

- The Sino-Soviet relationship could even advance to the point where there is also a Sino-Soviet border agreement, resumption of party-to-party ties, a statement of principles on relations, and perhaps the beginning of talks to reduce forces along the border.

Relations, however, are not likely to progress to the point where China moves to a truly equidistant position in the Sino-Soviet-US triangular relationship or stops competing with the USSR in many regions of the world. Although we expect military contacts to develop, we do not believe they will extend to major arms sales, advanced technology transfer, or genuine military cooperation. Past disputes, lingering distrust, geopolitical rivalry, and conflicting national ambitions will continue to bound the reconciliation and promote disagreements.

The pace and extent of improvement will depend in large part on whether:

- Both sides maintain a reformist course at home and continue to see a more peaceful international environment as essential to the pursuit of domestic reforms.
- The Soviet-US and Sino-US dialogues remain essentially on track.
- There is continued progress toward resolution of the Cambodian conflict.
- The Soviet withdrawal from Afghanistan is interrupted.
- The Chinese maintain their positive assessment of Gorbachev and his staying power.

Improved Sino-Soviet relations will increase Chinese and Soviet leverage in relations with the United States and add to Gorbachev's image as a peacemaker. The already minimal potential for Sino-Soviet military conflict will recede even further. This will increase pressure on the United States to articulate its policies in a more challenging political environment.



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In addition, the more rapid the pace of improvements in Sino-Soviet relations, the more pronounced will be their impact on US freedom of maneuver in East Asia. For example, in an atmosphere of triangular detente, Japan probably will be under greater pressure to improve its relations with the Soviet Union. Moreover, if the image of the Soviet military threat in East Asia is diminished, US allies may see less need to spend money on defense or permit US military access.

Nonetheless, the improvements in Sino-Soviet relations envisioned in this Estimate will not, in our view, fundamentally threaten US interests in the next two to three years:

- Expanding contacts will make it easier for the two sides to coordinate actions where their interests coincide, but they will remain competitors pursuing their own very different geopolitical agendas.
- We do not believe that any Chinese or Soviet forces withdrawn from the border region as a result of diminished military competition will be redeployed to measurably augment the threat to NATO or to US allies in the Pacific.
- Although Moscow will try to take advantage of increased Sino-Soviet economic interaction to try to get more Western technology, China will act to limit such gains lest it jeopardize its own access to such technology.
- If Sino-Soviet relations improve sufficiently to be perceived as threatening, Asian countries may seek greater US support.

*This information is Secret* [REDACTED]

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# Discussion

## Chinese and Soviet Goals in Developing Better Ties

The coming to power of reform-minded leaderships in both China and the USSR has already significantly changed each side's perception of the other and spurred substantial improvement of Sino-Soviet relations. We believe the relationship is destined for further advances as a result of recent events in US-Soviet relations, the Soviet decision to withdraw from Afghanistan, and the efforts the Soviets are making to foster a settlement of the Cambodian problem. The Chinese attribute these changes to General Secretary Gorbachev personally, want to reinforce his new directions in foreign policy, and seem on the verge of a decision to expand and elevate political contacts with the USSR. We believe the ultimate outcome of these contacts will be a Sino-Soviet summit, at which the normalization of Sino-Soviet relations may be formally acknowledged. We also believe this could occur well before the end of the two- to three-year time frame of this Estimate. [ ]

For China, the objectives of its changed policies toward the USSR are to:

- Diminish the Soviet threat to Chinese security and free up more resources for economic development at home.
- Improve Beijing's leverage in Washington at a time of increased US-Soviet cooperation.
- Buttress Gorbachev's internal position.
- Gain political concessions from the USSR.
- Secure economic and scientific and technological benefits from the USSR and Eastern Europe.
- Fan doubts in Hanoi and New Delhi about Soviet reliability. [ ]

This Estimate, which was requested by the Director of the National Security Agency, examines the prospects for Sino-Soviet relations over the course of the next two to three years, together with their implications for the United States. Our last estimative products on the subject—NIE 13/11-84, *The Changing Sino-Soviet Relationship*, June 1984, and Memorandum to Holders of NIE 13/11-84, published in June 1985—correctly forecast the kind of Sino-Soviet relationship that has developed since that time, even though they were produced before we fully understood the importance of General Secretary Gorbachev's accession to power in the USSR. [ ]

For the USSR, better Sino-Soviet relations are designed to:

- Diminish the leverage it believes the United States enjoys in the triangular relationship.
- Permit some reduction of military forces along the Sino-Soviet border.
- Promote an expanded Soviet role in Asia.
- Provide additional momentum to "new thinking" in foreign policy and help develop a more favorable image of the Soviet Union and its leader, Gorbachev. [ ]

We judge, however, that the geopolitical ambitions of the two sides will remain fundamentally antithetical, and that historical disputes and fears will ultimately serve to preclude broad cooperation in the international arena. China aims eventually to become the dominant power in Asia with major influence on the world stage; the USSR hopes to prevent the Chinese from achieving this goal, wants to carve out a larger role for itself in Asia, and would like to move China at a minimum into a position of true equidistance between the United States and the USSR. [ ]

## Progress to Date

Much progress has been made in Sino-Soviet relations since the Chinese changed tactics and became more receptive to Soviet overtures for better relations in the early 1980s, but the process has gathered more momentum since Gorbachev took over in 1985 (see inset, "Recent Firsts in Sino-Soviet Relations"). The two sides are beginning to seriously address political problems between them. The Soviets have already moved part way to satisfy China's demands on the three "obstacles":

- Efforts to resolve the *Cambodian problem* are under way, and the Chinese credit Soviet pressure on Vietnam for Vietnam's recent show of flexibility.
- About half the *Soviet troops in Afghanistan* as of 15 May have returned home, and the remainder are expected to be gone by next February.



### **Recent Firsts in Sino-Soviet Relations**

#### **Late 1981**

Sino-Soviet trade, static for over a decade, begins to increase dramatically. Two sides resume academic and sports exchanges, suspended since the 1960s.

#### **October 1982**

Two sides resume political talks at deputy foreign minister level, suspended since invasion of Afghanistan.

#### **September 1983**

Two sides begin second series of political talks on international issues, also at deputy foreign minister level.

#### **September 1984**

Two countries' foreign ministers meet at United Nations for first time since China's admission in 1971.

#### **December 1984**

First Deputy Premier Arkhipov visits Beijing and initials series of agreements to facilitate expanding economic ties, highest ranking visitor since Premier Kosygin in 1969.

#### **March 1985**

Gorbachev receives Politburo member and Vice Premier Li Peng at Chernenko's funeral, first Chinese official received by a Soviet general secretary since Premier Zhou Enlai in 1964.

China calls USSR "socialist" for first time since 1966.

Chinese National Peoples Congress sends first parliamentary delegation to USSR in 20 years.

First Soviet briefing of Chinese on their disarmament negotiations with United States.

#### **July 1985**

Politburo member and Vice Premier Yao Yilin reciprocates Arkhipov visit, signs first five-year trade agreement in 25 years and a separate accord on technical cooperation.

Soviets publish first favorable media comment on Chinese reforms.

#### **August 1985**

Soviet trade union delegation visits China for first time in 20 years.

#### **October 1985**

Supreme Soviet delegation visits China for first time in 20 years.

Soviet Friendship Society delegation visits China for first time in over 20 years.

#### **November 1985**

Chinese First Deputy Premier Song Ping stops off in Moscow en route home from Eastern Europe and sees Gosplan Chairman and candidate Politburo member Talyzin.

#### **January 1986**

Two sides sign agreement permitting resumption of cross-border trade, which had been halted in the 1960s.

(continued)

**Recent Firsts in Sino-Soviet Relations (continued)**

**March 1986**

*Inaugural session of Joint Economic Commission.*

**July 1986**

*Gorbachev sets forth his Asian policy in a major speech in Vladivostok and makes first move toward resolving China's demands on the three obstacles.*

**August 1986**

*First pre-UNGA consultations since 1960s.*

**September 1986**

*Candidate Politburo member Talyzin, first Politburo visitor to Beijing since Kosygin in 1969, finalizes agreements on 24 economic projects to be undertaken by Soviets in China.*

*Polish General Secretary Jaruzelski becomes first of five closest East European allies of USSR to visit China and reestablish party-to-party ties; the other four East European general secretaries subsequently follow in his path.*

**October 1986**

*Two sides establish first committee to oversee joint development of boundary rivers.*

**December 1986**

*Soviets end clandestine radiobroadcasts to China.*

**February 1987**

*Sino-Soviet border talks, suspended since June 1978, resume.*

**June 1987**

*Acting General Secretary Zhao Ziyang visits Poland, East Germany, Czechoslovakia, Hungary, and Bulgaria, thus completing normalization of relations with USSR's closest allies.*

**July 1987**

*Soviet consulate in Shanghai and Chinese consulate in Leningrad, closed during Cultural Revolution, reopen.*

*First policy planning talks since early 1960s.*

**August 1987**

*Soviet Defense Minister Yazov sends greetings to Chinese counterpart, Zhang Aiping, for PLA anniversary for the first time in 20 years, although China fails to acknowledge it.*

**October 1987**

*First CPSU congratulatory message to CCP Congress since 1956.*

**November 1987**

*First Chinese delegation to Soviet anniversary festivities since 1960.*

**January 1988**

*Chinese publish first interview by a Soviet general secretary in two decades.*

*Soviets publish collection of Deng Xiaoping's speeches.*

**February 1988**

*Two sides hold Foreign Ministry consultations on Latin America.*

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- *Some Soviet troops have left Mongolia, and there may also have been other reductions in Soviet troops facing China.*

In addition, talks on the two sides' longstanding border dispute have progressed to the point where the Soviets have agreed to conduct a joint aerial survey of the eastern border. When completed next month, this survey will show that some key islands opposite the city of Khabavorosk now in Soviet possession should belong to the Chinese. Soviet refusal to acknowledge this in the past has blocked settlement of the riverine border dispute. [ ]

*Political contacts* are expanding, although the two sides still work against each other on many foreign policy issues. Moscow and Beijing have also moved away from the ideological rigidity of the past and found common ground in the discussion of their respective reform efforts:

- The two sides will hold their first joint seminar on economic reform in December.
- Journalists and academics in each country are publicly applauding the other's reform efforts in order to further advance the cause of their own leadership's reform efforts. Soviet reformers, for example, recognize the limitations of the USSR's economic reform effort and would like to see the USSR emulate some of China's agricultural and industrial reforms, whereas Chinese intellectuals are closely watching Soviet political reforms to provide justification for political reform in China. [ ]

These contacts are taking place on a variety of levels, including:

- Annual meetings of the foreign ministers at the United Nations and of deputy premiers to discuss economic relations.
- Talks at the deputy foreign minister level on bilateral and international issues (primarily the three obstacles), as well as the border dispute (see inset, "The Sino-Soviet Border Dispute").
- Discussions between lower level foreign ministry officials on an expanding range of issues such as UN affairs, the Middle East, Latin America, and arms control.
- Resumed parliamentary, academic, scientific, and cultural exchanges. [ ]

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On the *economic* front, the changes have been more rapid.<sup>2</sup> Both sides are now willing to admit that trade can facilitate accomplishment of their respective domestic reform efforts:

- Between 1980 and 1986, trade roughly quadrupled (from a very low base). (See figure 2.)
- The two sides are once again signing long-term trade agreements—largely barter—and probably will meet the goal of having a total trade turnover of \$14 billion by the end of the current five-year agreement in 1990.
- Cross-border trade (that is, trade that is negotiated by local officials in the border regions as opposed to trade negotiated by central ministries in Moscow and Beijing) has resumed and grown rapidly. The two sides are developing the infrastructure (that is, building new rail lines, expanding riverine port capacity, establishing joint ventures, and so forth) that will support an even greater expansion.
- The two sides have also successfully negotiated a new series of blanket economic accords under the terms of which Moscow ultimately hopes to send several hundred technicians to China to refurbish about 10 to 20 of the hundreds of factories built during the heyday of Sino-Soviet collaboration and provide credits and personnel for the construction of seven new ones.
- Soviet merchant and fishing ships are being repaired in Chinese harbors.
- The two sides have exchanged more than 30 groups of economic specialists and agreed in principle to undertake other cooperative projects in agriculture, fisheries, meteorology, nonferrous metallurgy, petrochemicals, machine building, oil and natural gas, and railways. [ ]

<sup>2</sup> For a fuller treatment of the prospects for Sino-Soviet economic cooperation, see DI Intelligence Assessment SOV 87-10079X (Secret) [ ] December 1987, *USSR-China: Prospects for Revitalizing Economic Links*. (U)

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*Militarily*, the picture is more complicated. The forces each side has arrayed against the other are continuing to be modernized and are now more militarily capable than they were five years ago (see inset, "Recent Military Developments"). The relaxation of tensions evident since 1982, however, has apparently been one of the factors enabling leaders in both countries to take what would otherwise be politically risky steps to effect military economies. Although the reductions they have made so far have been largely symbolic, these developments have lessened each side's threat perception. For example, China has cut the size of its armed forces by over 1 million men, Moscow has withdrawn one of the five divisions it had previously stationed in Mongolia, and China accepts Soviet claims to have reduced the number of troops along the Sino-Soviet border. The Soviets also agreed to destroy their SS-20 force in Asia. Although this was done primarily to secure an INF agreement with the United States, the Chinese were happy to pocket the gain. [ ]

*Although neither side admits it and the Chinese actively deny it, these political, economic, and military changes already add up to a substantial "normalization" of relations.* State-to-state relations are better and more dynamic than at any time since the late 1950s. Each side judges that the activity of the other is substantially less threatening than it was a decade ago. [ ]

Despite this improvement, the relationship is still more adversarial than it is cooperative. China still uses the obstacles to modulate the pace of improvement in ties to the USSR, to demonstrate its concern over Soviet actions that affect China's security,<sup>1</sup> and also to prevent Sino-Soviet relations from adversely affecting its relations with the United States. As a part of this strategy, China thus far has stalled on Soviet attempts to arrange a summit, exchange visits between foreign ministers and premiers, or resume party-to-party ties. (See inset, "Sino-Soviet Cooperation in Context.") [ ]

<sup>1</sup> In this respect, China's use of the obstacles is similar to the way it uses the Taiwan issue vis-a-vis the United States and the way it used to use the Sino-Soviet border dispute against the USSR in the 1960s and 1970s, although, in the latter case, the purpose then was mainly to minimize Moscow's ability to interfere in Chinese internal affairs. [ ]

### Factors Likely To Affect Sino-Soviet Relations in the Next Two to Three Years

How fast Sino-Soviet relations will improve in the next two to three years will depend on internal developments in both China and the USSR, continuing Soviet efforts to resolve longstanding Chinese grievances (as symbolized by the three obstacles), Chinese flexibility regarding these grievances, the status of US relations with both countries, and the behavior of other countries over which the two adversaries have but limited influence. [ ]

**Soviet Internal Scene—The Role of Gorbachev**  
Gorbachev has already demonstrated an ability to modify long-held Soviet positions elsewhere in the world, and he also appears to be moving in this direction vis-a-vis China:

- In a speech in Vladivostok in July 1986, Gorbachev first signaled his intention to improve relations, engage the Chinese leadership directly, and deal with China's obstacles. (See inset, "Gorbachev's Statements on Asia.")
- Gorbachev has replaced most of his predecessors' key Sinologists—who were more interested in scoring propaganda points against the Chinese than in improving relations—with more flexible advisers who have acknowledged past Soviet mistakes in dealing with China and recognized the need to make real concessions to halt China's drift to the West.<sup>2</sup> (See insets for background on Gorbachev's Sinologists and China's K Sinologists.)
- As noted above, Gorbachev has moved at least part way to resolve China's demands on the three obstacles.
- The results of the soon-to-be-completed survey of the Sino-Soviet border could provide Gorbachev with a face-saving way to show further flexibility on the border dispute. [ ]

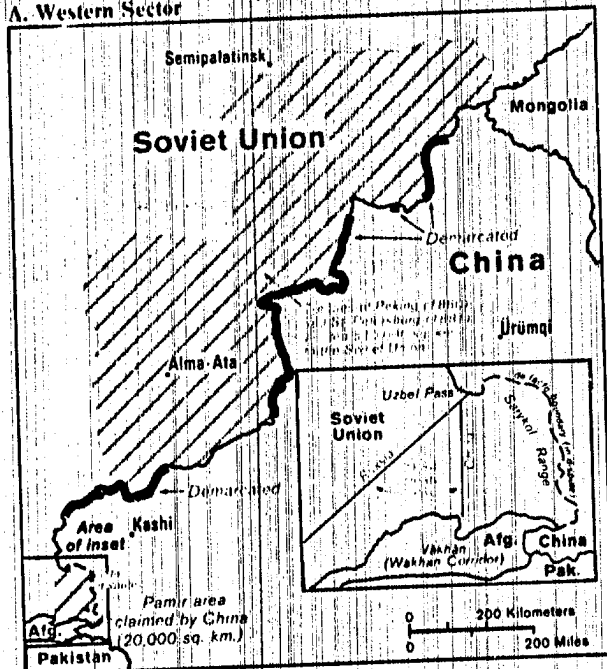
<sup>2</sup> Soviet Sinologists and Chinese Kremlinologists, like their American counterparts, are a divided lot who have long had a variety of views and theories about the behavior of their adversaries. In these paragraphs, what we are describing is not the full range of views in these groups but only the view that seems to be shaping the actions of their respective policymakers. [ ]

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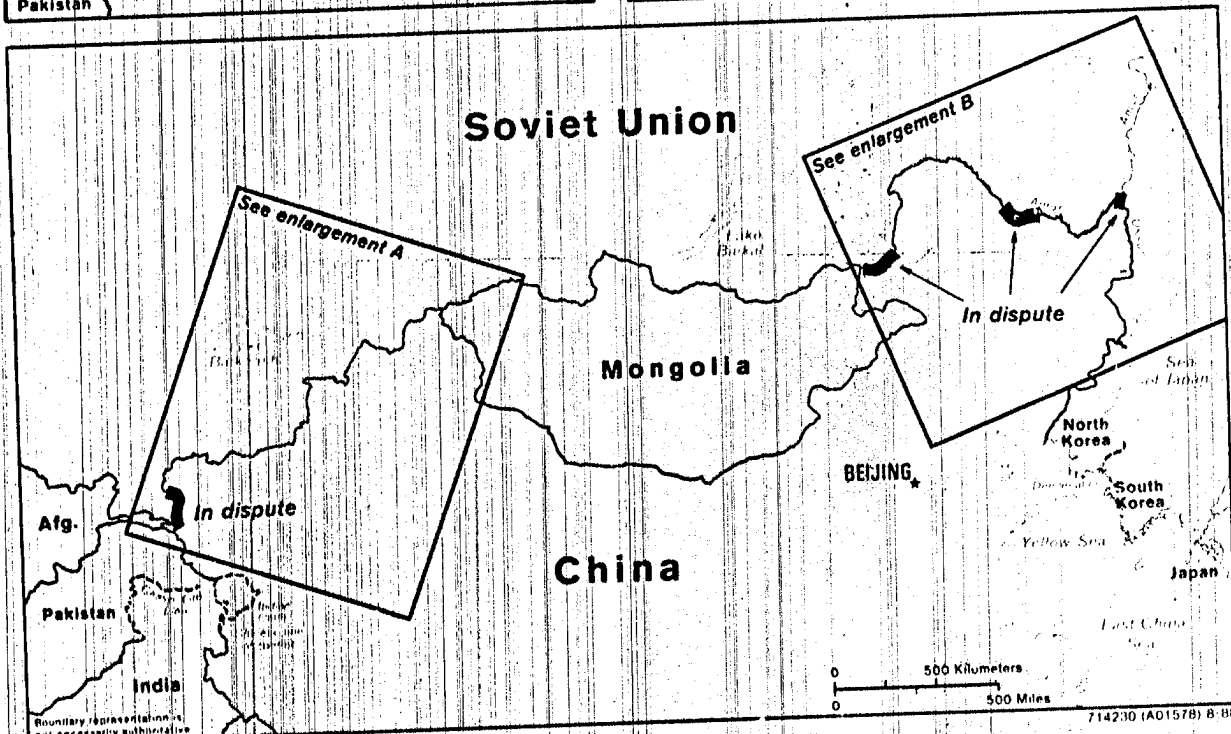
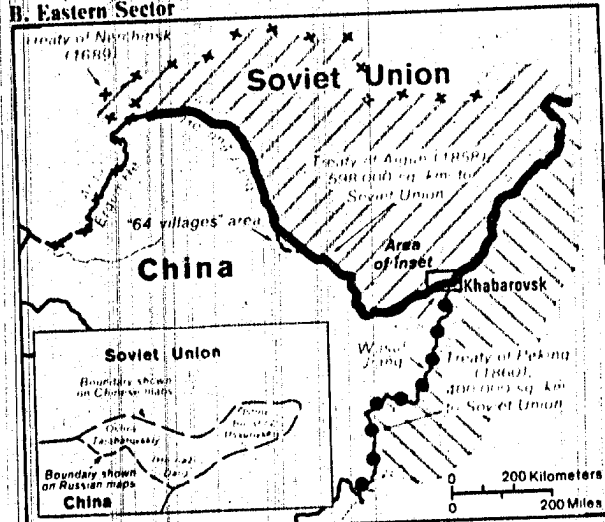


**Figure 1**  
**Sino-Soviet Border Dispute**

**A. Western Sector**



**B. Eastern Sector**



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### *The Sino-Soviet Border Dispute*

*The Chinese had long resented Russian territorial aggrandizement at their expense in the 19th century, but it was not until after the success of the Chinese Revolution and the downturn in Sino-Soviet relations in the late 1950s that it became a serious issue in relations between Moscow and Beijing. The Soviets were greatly alarmed by Chinese territorial claims, which they saw as a fundamental threat to the security of the Soviet Far East. Chinese claims were a major factor precipitating the Soviet military buildup opposite China.*

*By 1964, when China's claims first surfaced publicly, China was demanding that Moscow acknowledge that it had "unjustly" acquired some 1.5 million square kilometers of territory in Central Asia and the Amur River Basin in the 19th century. China sought the return of some 20,000 square kilometers in the Pamirs, over 700 islands in the Amur and Ussuri Rivers, and several smaller tracts of land in the Sino-Soviet-Mongolian triborder area that China claimed the USSR had acquired in excess of the 19th-century treaties.*

*The first round of talks was held shortly before Khrushchev's ouster in 1964, but then China embarked on the Cultural Revolution, and there were no more talks until after the Sino-Soviet border clashes in 1969. Between 1969 and 1978, the border talks served as the only direct channel of communication—apart from ambassadorial contact—between the two sides. Between 1964 and 1978, Moscow, fearing that China was only presenting its first "bill" on the territorial question,*

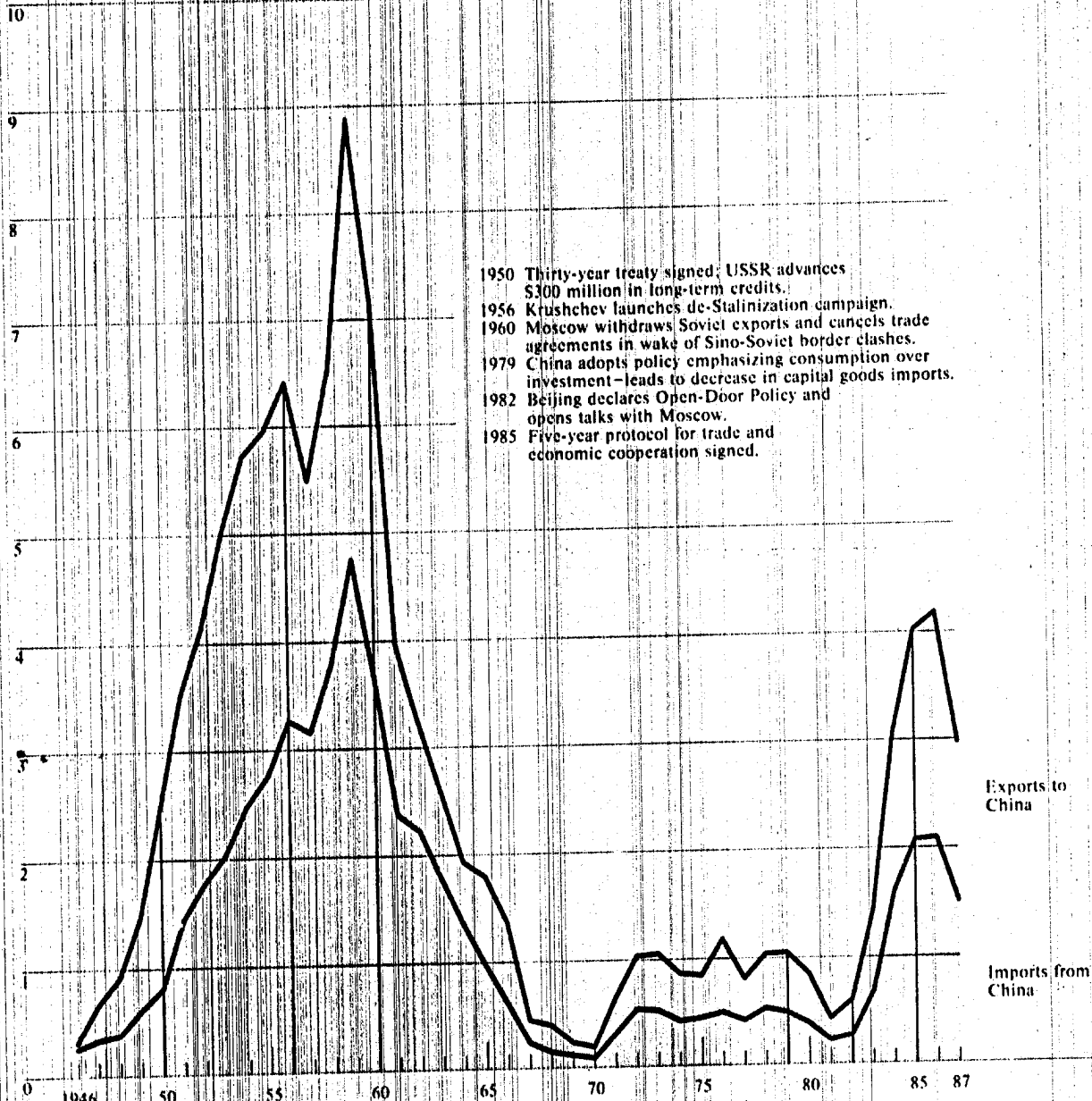
*steadfastly refused to acknowledge the allegedly "unequal" nature of the 19th-century treaties. At the first round in 1964, the Soviets agreed in principle to use the thalweg (main navigation channel) principle to resolve the riverine border dispute, but they tried to retain ownership of two key islands opposite Khabarovsk by maintaining that the main navigation channels of the rivers flowed south and west of the islands instead of north and east as they in fact do. China reportedly offered in 1964 to relinquish its claim to the Pamir area but later withdrew the offer.*

*The current series of negotiations resumed in February 1987 after Gorbachev went public with the thalweg offer and the plans for Soviet troop withdrawals from Mongolia were announced. In the negotiations that have taken place since then, the Chinese have not raised the unequal treaties of the last century, and the two sides agreed once again to focus first on trying to resolve disagreements on the riverine border. Despite Gorbachev's speech, there is still some uncertainty regarding Moscow's intentions on the islands opposite Khabarovsk. The Soviets may eventually be willing to acknowledge Chinese ownership of those islands, but will probably withhold such a concession until China seems more willing to make compromises in return, such as abandoning its claim to the Pamir region. The Soviets will also probably be careful to claim that the natural flow of the river has changed the border in order to avoid setting a precedent for other disputed territories along the USSR's borders.*

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**Figure 2**  
**Sino-Soviet Trade, 1946-87**

*Billion current Swiss francs\**



\* Soviet trade with China is reported in Swiss francs due to the stability of the currency. The Swiss franc measure contains less currency distortion and therefore is a more reliable indicator of volume changes. However, even this measurement distorts the volume of trade over time.

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### Recent Military Developments

*There are now some 500,000 Soviet troops (about 55 divisions) facing an estimated 1.4 million Chinese troops (about 81 divisions) along the Sino-Soviet border and in Mongolia.* [redacted]

*Since Gorbachev took over in 1985, the Soviets have continued to modernize the equipment of the forces they have stationed there and have upgraded two more mobilization divisions to active status, albeit at low readiness levels. Soviet forces, though substantially less numerous than those of the Chinese, have a considerable edge in mobility and firepower. We estimate they are capable of stopping a Chinese attack into the USSR and of mounting a quick counterattack. They are also capable of mounting a limited offensive into northern China. To take and hold all of northeastern China, however, would require the doubling of the force or the use of nuclear weapons. We believe that the Soviets would be highly reluctant to initiate the use of nuclear weapons against China for limited objectives because of the danger of a retaliatory strike.* [redacted]

*Beijing, which for years planned to defend China by luring the Soviets in deep, now plans to contest a Soviet invasion from the first defensible terrain. Accordingly, since the early 1980s, China has been reorganizing and reequipping its forces for a more conventional combined-arms defense. Since 1985, some 35 Chinese maneuver armies have been reorganized into 24 more powerful combined-arms formations called "group armies," and China has strengthened its 15 border defense divisions by*

*integrating some of them into the group armies and modernizing their armor and artillery. Nonetheless, it will take years for China to acquire all the advanced weapons it needs to ensure these divisions can halt a full-scale Soviet assault.* [redacted]

*The Soviets want to reduce the military competition with the Chinese before China completes modernization of its forces. Toward that end, they have repeatedly proposed agreements on nonuse of force, military confidence-building measures, and/or force reduction talks. China has repeatedly rejected these proposals. Since Gorbachev took over, the USSR has taken additional unilateral measures, such as the withdrawal of a division from Mongolia and the planned destruction of its SS-20 force in Asia. We cannot confirm but do not rule out the validity of Minister of Defense Yazov's recent claims that they have also reduced their forces along the Sino-Soviet border.* [redacted]

*[redacted] China recognizes that none of these actions has as yet substantially reduced the Soviet military threat and thus far at least has continued to reject Soviet proposals on military confidence-building measures and/or force reduction talks. China could agree to a dialogue, however, if there is a Sino-Soviet border treaty or if it came to believe that there would be no significant cost in terms of its relations with the West.* [redacted]

*Although unlikely in the time frame of this Estimate, both we and the Chinese believe that Gorbachev's ouster would diminish the prospects for continuing improvement in Sino-Soviet relations. Both we and the Chinese also believe that, if Gorbachev is removed, he almost certainly would be replaced by a leader more cautious about domestic reform and less flexible on foreign policy. Such a change, moreover, would cause the Chinese to review their assessment*

*about the direction of Soviet policy and perhaps significantly dampen their inclination to deal with the USSR.* [redacted]

**Chinese Internal Developments—The Role of Deng**  
*While Chinese leader Deng Xiaoping has been an important obstacle to more rapid improvement in Sino-Soviet ties, some Chinese are now saying that he*

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### ***Sino-Soviet Cooperation in Context***

*The growth in political and economic contacts looks impressive when compared to the absence of such contacts throughout the second half of the 1960s and the 1970s. It looks considerably less so when compared to the relationship the two sides enjoyed with each other in the 1950s or the ties each country now has to the West. For example:*

- The last Sino-Soviet summit took place when Khrushchev visited China in 1959, although Premier Kosygin made a hurried trip to China in October 1969 when Sino-Soviet tensions along the border were at a peak. Since that time, there have been 12 Soviet-US summits and four Sino-US summits, not to mention a much broader US dialogue with both countries at lower levels and in the people-to-people arena.*
- The United States has already trained more scholars from each country than either has trained of the other. In 1987, there were over 250 Soviets and 27,000 Chinese students in the United States, but the USSR and China exchanged only 200 students.*
- In 1959, the USSR accounted for more than half of China's foreign trade and China accounted for one-fifth of Soviet foreign trade; in 1987, the Soviets accounted for about 3 percent of China's trade and the Chinese for only 1 percent of Soviet trade.*
- Some of the 24 to 28 planned Sino-Soviet economic cooperation projects will not be completed because the Chinese plant managers were free to purchase Western equipment and did. Even if the Chinese find other factories to replace them, Soviet projects in China will be dwarfed by the over 13,000 such projects China has contracted for with the West.*
- The potential for continued growth in Sino-Soviet economic ties is limited by both sides' desire to export their better goods to the West for hard currency and by China's concern not to give the USSR the leverage it once enjoyed over the Chinese economy.*

would like to cap his career by taking part in a summit to complete the "normalization" of Sino-Soviet relations just as he completed the "normalization" of Sino-US relations in 1979. This turnaround in Deng's attitude presumably results from the warming in US-Soviet relations and his changed assessment of Gorbachev. While Deng initially thought Gorbachev and his policies represented nothing more than old wine in new bottles, he has gradually come to believe that Gorbachev is serious about reform, wants a prolonged international breathing space, and will make concessions on issues important to China. Specifically, Deng expects that the Soviets under Gorbachev will:

- Postpone the quest for military superiority over the United States and seek parity at lower force levels through arms control.

- Reduce reliance on military power as the primary instrument for expanding the USSR's influence.

There probably would be a temporary slowdown in the process of improving Sino-Soviet relations if Deng were to die within the time frame of this Estimate, but we believe it more likely than not that the succession will go smoothly and that Deng's foreign and domestic policies will survive him. Nonetheless, given modern Chinese history and the problems accompanying China's economic and political modernization efforts, we cannot rule out the possibility of a sharp shift in Chinese policy toward the USSR once Deng goes. In that event, even if China opts for more emphasis on

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### **Gorbachev's Statements on Asia**

*At Vladivostok in July 1986, Gorbachev announced Moscow's plans to broaden its overall economic and political role in Asia and staked out a claim for more Soviet involvement in Asian security issues. But his main message was for the Chinese. Gorbachev indicated that:*

- *The Soviets were prepared to accept the thalweg (the main navigation channel) principle to resolve their riverine border dispute, thereby suggesting for the first time in public that Moscow would give up possession of important islands opposite Khabarovsk that had blocked agreement in the past.*
- *Announced that the USSR would withdraw a small number of troops from Afghanistan and was engaged in talks with the Mongolians about withdrawing troops from that country.*
- *Although the Soviet withdrawal from Afghanistan was largely a sham, and the Mongolian withdrawal came only after a substantial strengthening in the Mongolian armed forces, it was the first time any Soviet leader had made a show of responding to China's demands on any of the three obstacles.*
- *Gorbachev, however, failed to address the issue that most concerned the Chinese: Soviet backing for Vietnam's occupation of Cambodia.*

*In an interview with the Indonesian newspaper Merdeka on the first anniversary of the Vladivostok speech, the Soviet leader announced Moscow's willingness to include Asian-based SS-20s in a US-Soviet INF agreement, thus preparing the way for additional reductions opposite China.*

improving relations with the USSR, we would not expect Beijing to adopt a genuinely equidistant position between the United States and the USSR or change the prevailing Chinese view that Moscow poses the greatest long-term threat to China's security. Any likely successor leadership, moreover, will see the open door to the West as a useful counterbalance to Moscow and as the main source for technology needed for economic and military modernization and thus would continue to protect China's Western ties from too much improvement in relations with Moscow.

### **External Influences on Sino-Soviet Relations**

Although not as important as the internal compulsions driving each state, other countries have had and will continue to have some influence on the evolving bilateral relationship. The United States is the most important of these players, but a number of other countries on China's periphery also loom large.

**The US Factor.** Improving Sino-Soviet relations may limit US leverage in the triangular relationship, but US influence depends more on US bilateral relations with the USSR and China than on relations between Moscow and Beijing (see inset, "The Evolving US Relationship With the USSR and China"). Given China's more extensive ties to the West, the United States has had and will continue to have somewhat more influence on Chinese policy than on Soviet policy.

Until recently, China's fear that developing too cozy a relationship with Moscow too fast would endanger Western assistance for its modernization effort led the Chinese leadership to draw out the normalization of its relations with the USSR and downplay its significance. Now that US-Soviet relations have improved, however, the Chinese seem to feel at a disadvantage in the triangular relationship and are moving to right the imbalance by trying to upgrade their own relations with the USSR. The Chinese are still concerned about the potential adverse reaction in Washington and will proceed carefully, but they probably calculate that Washington will accept even significant improvement in Sino-Soviet relations because of the recent warming of US-Soviet relations.

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### **Gorbachev's China Team**



**Igor A. Rogachev**  
*Deputy Foreign Minister and Ministry of Foreign Affairs Senior Sinologist (since 1986)*

Trained Sinologist from Institute for Oriental Studies . . . Key player in implementing and perhaps even formulating Soviet China policy . . . Well received by Chinese in negotiations . . . Formerly, Chief, MFA's First Far East Department (1983-86); Chief, MFA's Southeast Asia Department (1978-83) . . . Chief, China Desk, Bloc Relations Department, CPSU Central Committee (1962-65) . . . Served in China (1956-61, 1969-73), Washington (1965-69) . . . Speaks fluent English and Chinese . . . 56.

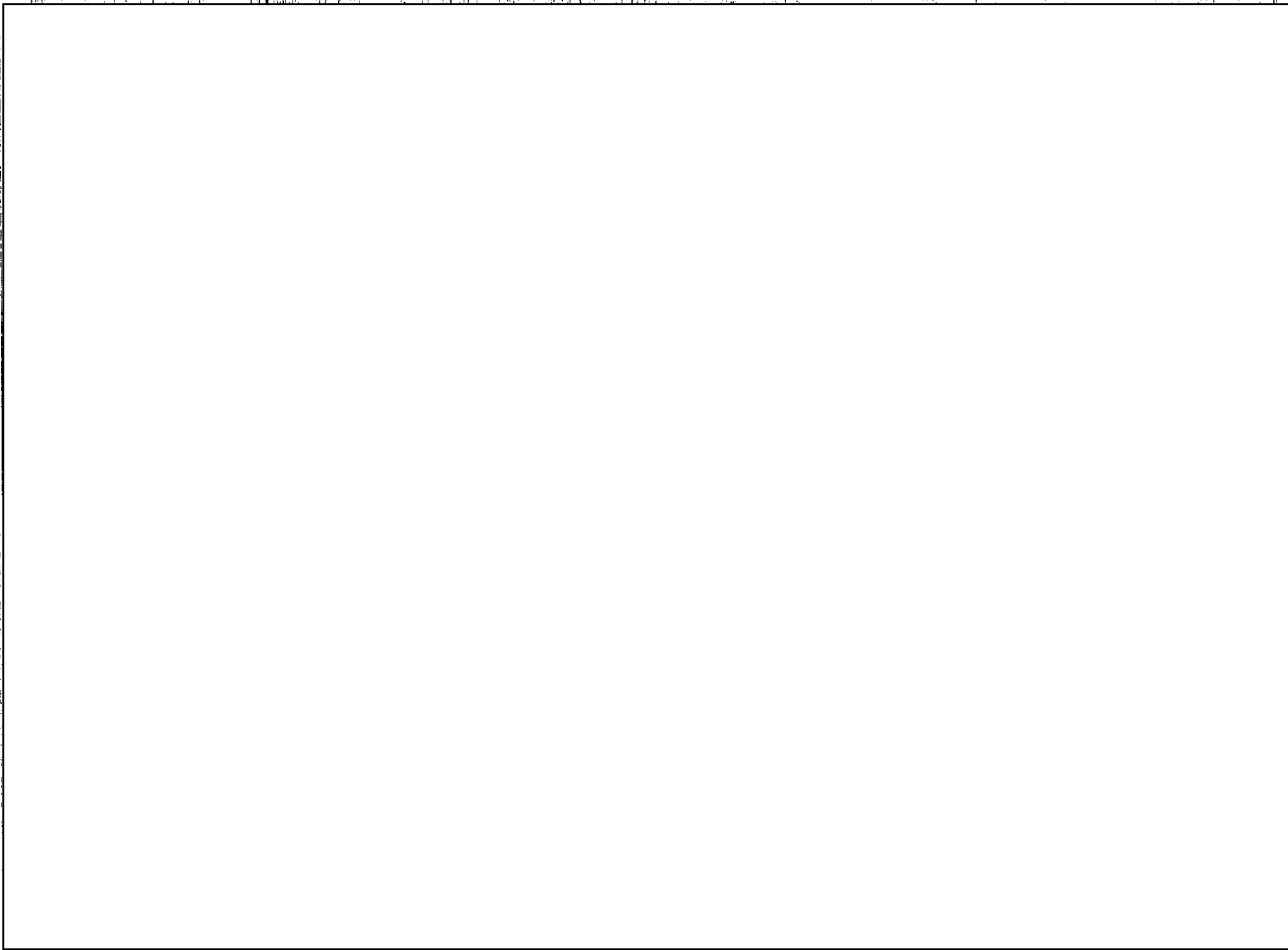


**Oleg A. Troyanovskiy**  
*Ambassador to China (since 1986)*

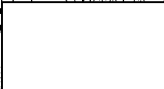
Career diplomat who served as special assistant to both Khrushchev and Kosygin and has long experience in United States, having attended high school and one year of college here . . . Well received by Chinese . . . Permanent Representative to United Nations (1976-86) . . . Ambassador to Japan (1967-76) . . . Trained at foreign language institute in Moscow . . . Speaks English, Japanese, and French . . . 68.

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***China's Leading Kremlinologists***



***Qian Qichen***  
***Foreign Minister***

Traveled to the USSR as a student in 1954 . . . Subsequently served two tours in the Chinese Embassy in Moscow before returning to China in 1964 . . . Has a better understanding of Soviet politics than most of his colleagues but has shown no particular affection for Moscow . . . Favors expansion of nonpolitical ties to Moscow but will also promote improved relations with the United States . . . 60.

***Tian Zengpei***  
***Vice Foreign Minister for Soviet and East European Affairs (since June 1988)***

Heads biannual normalization and border talks with Moscow . . . Soviet affairs specialist who studied in USSR, served in Chinese Embassy there (1976-81) . . . Former Ambassador to Yugoslavia, Czechoslovakia . . . Produces informed, perceptive analysis . . . Speaks Russian . . . About 57.

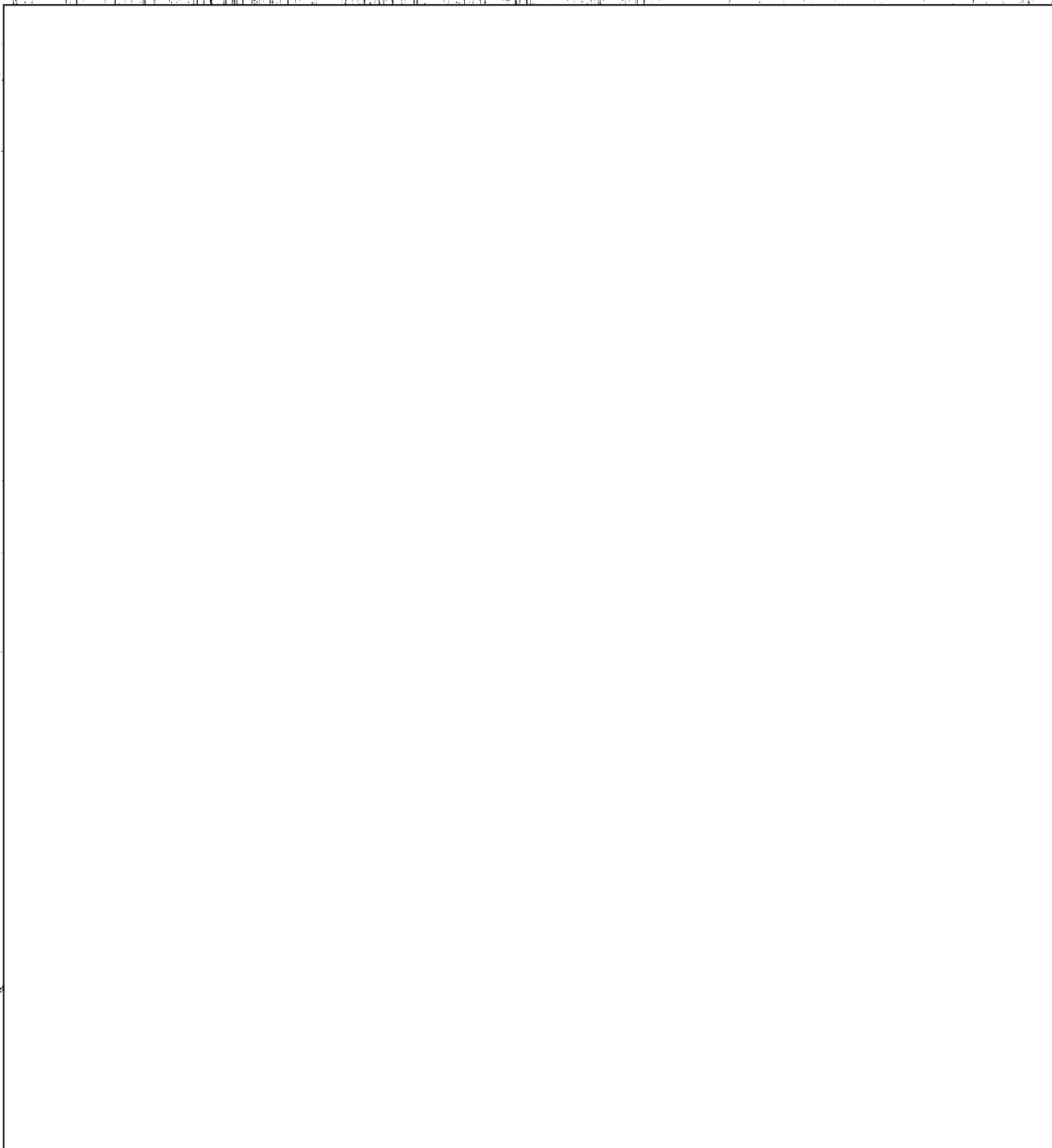
***Yu Hongliang***  
***Ambassador to USSR (since 1987)***

Entire career devoted to Soviet affairs . . . Played direct role in easing tensions as head of MFA's Soviet and East European Affairs Department (1978-82) . . . Sent to Moscow as special envoy in 1982 to offset impact of Sino-US 17 August Communique . . . 61.

***(continued)***

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### ***The Evolving US Relationship With the USSR and China***

*The US relationship with China and the USSR has passed through three distinct phases:*

- *Until the Sino-Soviet split emerged in the open, the Soviets were in the strongest position because the United States had no relationship with the Chinese.*
- *Then the advantage shifted to the United States, because, in accepting the reality of the Sino-Soviet split and acting to improve relations with Beijing, the United States was being courted by both sides and it was the USSR that now had to prepare for the possibility of a two-front war.*
- *Now that Sino-Soviet relations are improving, it has become more difficult for any one of the three countries to play the other two against each other.* ☐

**Conflict Over Cambodia.** China has long made this issue the number-one obstacle to better Sino-Soviet relations and the litmus test of Soviet intentions. After nearly a decade of conflict, however, the positions of all parties in the dispute appear to be in flux and the prospects for a political settlement have improved:

- The USSR is encouraging a settlement in order to improve relations with China and other East Asian countries as well as to reduce the burden of aiding Vietnam. Moscow appears ready to run more risk of friction with Vietnam to accomplish these goals. Moscow, moreover, probably could live with a settlement that allows real power sharing in a new Cambodian regime.
- China, which wants to avoid appearing obstructionist, has exhibited more flexibility, although it continues to demand a full withdrawal of Vietnamese troops and the dissolution of the Vietnamese puppet regime in Cambodia. ☐

Although the obstacles in the way of a settlement are still formidable, the Chinese appear to have redefined the Cambodian obstacle so that a Vietnamese timetable to withdraw all forces before the end of 1989 would satisfy Chinese demands for progress and pave the way for a Sino-Soviet summit meeting. ☐

**The Impact of the Afghan Settlement.** Afghanistan was always the least important of the three obstacles from Beijing's perspective. Nonetheless, the beginning of Soviet withdrawals probably helped convince the Chinese that the Soviets were, as they claimed, really pressing Vietnam to resolve the Cambodian problem. Completion of the Soviet withdrawal may encourage China to further upgrade the Sino-Soviet political dialogue. ☐

**North Korea.** The Sino-Soviet rivalry for influence in P'yongyang cuts both ways. On the one hand, Moscow and Beijing have a common desire to moderate North Korean behavior, are both unenthusiastic about North Korean leader Kim Il-song's plans to have his son succeed him, are developing trade and other ties to the South, and will go to the Seoul Olympics in spite of P'yongyang's opposition. Moreover, P'yongyang could be the venue for the highest-level—if largely symbolic—Sino-Soviet meeting in nearly two decades if President Gromyko travels there for North Korea's 40th anniversary celebrations next month and meets with his Chinese counterpart, Yang Shangkun. ☐

On the other hand, China resents how Moscow, in the course of the last few years, has exploited P'yongyang's concerns about China's growing ties to the United States to enhance its influence in P'yongyang at Chinese expense. China is also disturbed by Moscow's success in gaining overflight rights from North Korea that enhances its intelligence capabilities against Chinese forces in the region as the apparent quid pro quo for providing sophisticated military hardware to P'yongyang. China will try to keep its concerns below the flashpoint, however, lest the North

<sup>1</sup> For a fuller treatment of this subject, see the recently published Special National Intelligence Estimate SNIE 57-88 ~~Secret~~ ☐ August 1988, *Cambodia: Prospects for and Implications of a Diplomatic Breakthrough*. ☐

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Koreans move further into the Soviet camp. Should the Soviet-North Korean military relationship become significantly closer—an unlikely event, in our view—Soviet behavior in North Korea could become a fourth Chinese obstacle. [ ]

Japan. [ ]

[ ] Sino-Soviet competition for influence in Tokyo faded after Moscow failed to prevent the conclusion of the peace treaty between China and Japan in 1978 and probably will not reemerge in the late 1980s. Efforts by the Soviets to court Japan lag far behind their dealings with China. [ ]

**Other Actors.** Relations could also be affected by other international developments:

- *Intensified conflict in the Spratly Islands* would strain Moscow's efforts to balance relations between Hanoi and Beijing.
- China probably would hold Sino-Soviet relations hostage to a cessation of any *Sino-Indian conflict*.
- *Indo-Pakistani hostilities* would lead both Moscow and Beijing to encourage moderation by their respective allies in order to prevent this issue from becoming a serious one in Sino-Soviet relations.

[ ] Although the odds are against it during the course of this Estimate, developments in *Eastern Europe* could again prompt a dramatic downturn in Sino-Soviet relations.\* If the Soviets once again have to resort to

\* For a fuller treatment of Soviet prospects in Eastern Europe, see National Intelligence Estimate NIE 11/12-9-88 (Secret) May 1988, *Soviet Policy Toward Eastern Europe Under Gorbachev*. [ ]

military force to preserve Communist rule, China is likely to tilt even more decisively toward the United States. [ ]

While the Soviets and the Chinese will continue to compete for influence in *Western Europe and in the Third World*, there is no one country that is likely to have the same kind of impact on Sino-Soviet relations as the countries mentioned above. [ ]

### Prospects for Sino-Soviet Relations Over the Next Two to Three Years

The USSR and China have almost always been rivals and sometimes adversaries, even when they ostensibly were friends. The Sino-Soviet relationship of the 1950s was the historical exception, not the rule. It came into existence as a result of China's isolation and its fears that the United States would seek to overturn the Chinese revolution. Now that these fears have disappeared and China is stronger and no longer isolated, the Intelligence Community judges that there is no chance of a return to the kind of superior/subordinate relationship that prevailed in the 1950s. Even Soviet officials admit this. Development of a less hostile, more "normal" relationship, however, is a virtual certainty. The issue during the time frame of this Estimate is how far and how fast the two sides are likely to move. [ ]

Until recently, the Chinese response to Gorbachev has been a fairly cautious one. We believe, however, that Chinese attitudes toward the USSR are changing and that Beijing—concerned about Gorbachev's internal position, encouraged by the Soviet actions to satisfy China's demands on the three obstacles, and anxious to right a perceived imbalance in the Sino-Soviet-US triangle—is on the verge of or may have recently made a decision to accelerate its dialogue with the USSR. [ ]

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[redacted]

Important indicators of progress will include the results of the planned Sino-Soviet discussions on Cambodia, the annual meeting of the two countries' foreign ministers at the United Nations, and any interaction between the Soviets and the Chinese at the September anniversary festivities in P'yongyang. We think there is a better-than-even chance that, as a result of all these meetings, the two sides will agree to go forward with the long-postponed exchange of foreign ministers' visits they agreed to in principle in 1985 and then never scheduled. The first such meeting could come this fall, but probably not until after the US Presidential election in November. [redacted]

Whether the Chinese then decide to exchange visits by the two countries' premiers or opt directly for a summit probably will depend to some extent on their assessment of the probable reaction in the United States. Given the fact that Gorbachev has already met with President Reagan four times, however, we think it more likely than not that the Chinese will use the foreign ministers' visits to begin laying the groundwork for a summit. [redacted]

A Sino-Soviet summit would be used by the two sides to make further progress toward resolving the three obstacles and the border dispute. Whether any of these issues will go away as a result of a summit is much less clear. Regardless, a Sino-Soviet summit probably would end with the issuance of a document that would acknowledge the improvement in relations that has taken place since 1981 and effectively complete "normalization." A summit might also result in formal reestablishment of party-to-party ties, a development that would make it easier for the two sides to exchange party as well as government delegations, although we think this less likely at a first meeting. The Chinese would be concerned about a possible negative reaction in the United States and might opt to reserve this concession for a later meeting. [redacted]

By the end of the period of this Estimate, the two sides could agree to open talks to reduce forces along the border. There is also some chance that they will reach agreement on their border dispute. [redacted]

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Even under the best of circumstances, however, we believe that Sino-Soviet relations are *not* likely to progress to the point where China moves to a truly equidistant position in the trilateral relationship and stops competing actively with the Soviets elsewhere in the world. Past disputes, lingering distrust, geopolitical rivalry, and conflicting national ambitions will continue to bound the reconciliation and promote disagreements. [redacted]

There are some places in the world now where the positions of the Soviets and the Chinese are closer to each other's than China's are to the United States. In some of these cases, appearances are misleading. China's largely rhetorical positions on Nicaragua and the debt question are aimed mainly at a Third World audience to demonstrate China's independent foreign policy. On a number of UN issues and arms control questions, however, we expect to see some increase in cooperation in multilateral forums as overall relations improve. [redacted]

China has already purchased limited amounts of some dual-use equipment—such as passenger aircraft, helicopters, telecommunications equipment, and trucks—from Moscow and its East European allies. And we expect Sino-Soviet military contacts to develop in parallel with the expanded political dialogue—indeed, there are reports that Soviet and Chinese border troops are already holding weekly meetings. But, we do not believe that the military contacts will result in major arms sales, advanced technology transfer, or genuine military cooperation. The Chinese hope that, by selectively purchasing US military equipment and know-how, they will be able to catch up with Soviet technological development. We think, therefore, that Beijing would be reluctant to risk its nascent military ties to the United States by engaging in significant military purchases from the USSR. And Moscow, for its part, while desirous of slowing the developing Sino-US military relationship, probably would be reluctant to provide the kind of high-technology equipment the Chinese would likely seek. [redacted]

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### Implications for the United States

Continued improvement in Sino-Soviet relations will increase Soviet and Chinese leverage in relations with the United States and add to Gorbachev's image as a peacemaker. The already minimal potential for Sino-Soviet military conflict will recede even further. This will increase the pressure on the United States to articulate its policies in a more challenging political environment. In addition, the more rapid the pace of improvements in Sino-Soviet relations, the more pronounced will be their impact on US freedom of maneuver in East Asia. For example, in an atmosphere of triangular detente, Japan probably will be under greater pressure to improve its relations with the Soviet Union. Moreover, if the image of the Soviet military threat in East Asia is diminished, US allies may see less need to spend money on defense or permit US military access. [redacted]

The improvements in Sino-Soviet relations envisioned in this Estimate will not, in our view, fundamentally threaten US interests over the next two to three years:

- Expanding contacts—including a summit and/or resumption of party-to-party ties—will make it easier for the two sides to coordinate actions where their interests coincide. But they will remain competitors pursuing their own very different geopolitical interests.

- Resolution of the border dispute and initiation of an arms control dialogue would make it possible for the Soviets and the Chinese to draw down forces along their common border. We believe, however, that those forces would not be redeployed to measurably augment the threat to NATO or to US allies in the Pacific. The Soviets can, nonetheless, be expected to use any reductions to press the United States and its allies into accepting similar cuts.

- If improved relations are perceived as threatening, Asian countries may seek greater US support.

- Increased Sino-Soviet economic and scientific and technological interchange will increase the chances that Moscow may gain access to Western technology now denied it. Because China does not want to strengthen its primary adversary or jeopardize its own access to such technology, it will act to limit Soviet gains. Any technology leakage from China will be less significant than that taking place elsewhere in the world, particularly in Western Europe and the non-Communist countries of East Asia.
- [redacted]

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